APPENDIX

Revenue Act of 1934, 48 Stat. 680:

SEC. 23. DEDUCTIONS FROM GROSS INCOME.

In computing net income there shall be allowed as deductions:

* * * * *

(e) LOSSES BY INDIVIDUALS.—In the case of an individual, losses sustained during the taxable year and not compensated for by insurance or otherwise—

* * * * *

(2) if incurred in any transaction entered into for profit, though not connected with the trade or business; or

* * * * *

(j) CAPITAL LOSSES.—Losses from sales or exchanges of capital assets shall be allowed only to the extent provided in section 117 (d).

* * * * *

(U. S. C., Title 26, Sec. 23.)

* * * * *

SEC. 117. CAPITAL GAINS AND LOSSES.

(a) GENERAL RULE.—In the case of a taxpayer, other than a corporation, only the following percentages of the gain or loss recognized upon the sale or exchange of a capital asset shall be taken into account in computing net income:

* * * * *

60 per centum if the capital asset has been held for more than 2 years but not for more than 5 years;

* * * * *

(b) DEFINITION OF CAPITAL ASSETS.—For the purposes of this title, "capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but does not include stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business.

* * * * *

(d) LIMITATION ON CAPITAL LOSSES.—Losses from sales or exchanges of capital assets shall be allowed only to the extent of $2,000 plus the gains from such sales or exchanges. * * *

* * * * *

(U. S. C., Title 26, Sec. 101.)

General Laws of Massachusetts (1921), Vol. 1, c. 60:

COLLECTION OF LOCAL TAXES

SECTION 43. If the taxes are not paid, the collector shall, at the time and place appointed for the sale, sell by public auction, for the amount of the taxes and necessary intervening charges, the smallest undivided part of the land which will bring said amount, or the whole for said amount, if no person offers to take an undivided part; * * *.

* * * * *

SECTION 45. The collector shall execute and deliver to the purchaser a deed of the land, * * *. The deed shall convey the land to the purchaser, subject to the right of redemption. The title thus conveyed shall,

until redemption or until the right of redemption is foreclosed as hereinafter provided, be held as security for the repayment of the purchase price, with all intervening costs, terms imposed for redemption and charges, with interest thereon, * * *. No sale hereafter made shall give to the purchaser any right to possession of the land until the expiration of two years after the date of the sale.

* * * * *

SECTION 48. If at the time and place of sale no person bids for the land offered for sale an amount equal to the tax and charges, and if the sale has been adjourned one or more times, the collector shall then and there make public declaration of the fact; and, if no bid equal to the tax and charges is then made, he shall give public notice that he purchases for the town by which the tax is assessed said land as offered for sale at the amount of the tax and the charges and expenses of the levy and sale, which amount shall be allowed him in his settlement with such town.

* * * * *

SECTION 50. If the town becomes the purchaser, the deed to it, in addition to the statements required by section forty-five, shall set forth the fact that no sufficient bid was made at the sale or that the purchaser failed to pay the amount bid, as the case may be, and shall confer upon such town the rights and duties of an individual purchaser.

* * * * *

SECTION 62. Any person having an interest in land taken or sold for non-payment of taxes, * * * may, within two years after the taking or sale, redeem the same by paying or tendering to the collector, if the estate has been taken or purchased by the town, the amount of the tax, all intervening

taxes, charges and fees, and interest on the whole at the rate of eight per-cent per annum; * * *.

* * * * *

SECTION 64. The title conveyed by a tax collector's deed or by a taking of land for taxes shall be absolute after foreclosure of the right of redemption by decree of the land court as provided in this chapter. The land court shall have exclusive jurisdiction of the foreclosure of all rights of redemption from titles conveyed by a tax collector's deed or a taking of land for taxes, in a proceeding provided for in sections sixty-five to seventy-five, inclusive.

SECTION 65. After two years from a sale or taking of land for taxes, whoever then holds the title thereby acquired may bring a petition in the land court for the foreclosure of all rights of redemption thereunder. * * *

SECTION 66. Upon the filing of such a petition the court shall forthwith cause to be made by one of its official examiners an examination of the title sufficient only to determine the persons who may be interested in the same, and shall upon the filing of the examiner's report notify all persons appearing to be interested, whether as equity owners, mortgagees, lienors, attaching creditors or otherwise, of the pendency of the petition, * * *. The notice * * * shall contain a statement that unless the party notified shall appear within the time fixed a default will be recorded, the petition taken as confessed, and the right of redemption forever barred.

SECTION 67. After the return day fixed, to be at least twenty days after the time of the actual issuance of notice, the court shall, if satisfied that the notice has been properly given, on motion of the petitioner enter an

order defaulting all persons failing to appear, and decreeing that the petition as to them be taken as confessed.

SECTION 68. Any person claiming an interest, within ten days after entering his appearance or within such further time as may on motion be allowed by the court, shall, if he desires to redeem, file an answer setting forth his right in the premises, together with all matters which in equity and good conscience entitle him to redeem, and an offer to redeem upon such terms as may be fixed by the court. Thereupon the court shall hear the parties, and, if good cause is shown therefor, may make a finding allowing the party to redeem, within a time fixed by the court, upon payment to the petitioner of an amount sufficient to cover the original sum, costs, interest at the rate of eight per-cent per annum, and all subsequent taxes, costs and interest to which the petitioner may be entitled under section sixty-one or sixty-two, together with the costs of the proceeding and such counsel fee as the court deems reasonable. The court may impose such other terms as justice and the circumstances warrant.

SECTION 69. If a default is entered under section sixty-seven, or on motion for failure to file answer, or if redemption is not made within the time and upon the terms fixed by the court under the preceding section, or if at the time fixed for the hearing the person claiming the right to redeem does not appear to urge his claim, or if upon hearing the court determines that the facts shown do not entitle him to redeem, a decree shall be entered which shall forever bar all rights of redemption.

U. S. GOVERNMENT PRINTING OFFICE: 1941